

LAW OFFICES OF
WILLIAMS & HUNT
A PROFESSIONAL CORPORATION

257 EAST 200 SOUTH, SUITE 500
P.O. BOX 45678
SALT LAKE CITY, UTAH 84145-5678

MARC WANGSGARD

May 19, 1997

TELEPHONE (801) 521-5678
FAX (801) 364-4500
E-MAIL: HUNT@XMISSION.COM

RECEIVED



MAY 22 1997

WATER RIGHTS
SALT LAKE

Dan C. Crow
6307 Broadway
San Antonio, TX 78209

Re: *Mule Hollow Water Right Dispute*
With Salt Lake City Corporation

Dear Mr. Crow:

Please refer to my letter to you dated March 24, 1997, in which I asked that you direct all future communications through me as legal counsel representing the City in this matter. Soon thereafter several letters have been sent to Mr. Christopher Bramhall and LeRoy Hooton. The reason I would like to be the funnel for communications is two-fold. I have been asked to evaluate the merits of both the City's rights and the claims that you are asserting and to represent the City if the parties are unable to resolve the dispute. I would rather receive information concerning your claims directly and avoid the confusion which often comes from information being passed from one person to another. Secondly, I have concern over prior misstatements or perhaps misunderstandings on your part regarding the legal and factual position of the City pertaining to its ownership of the water in the Big Cottonwood Creek Drainage.

I am continuing to review the file. Based on the information that I have thus far, it still appears that the various water right claims which you are attempting to create or document in the Mule Hollow area are of questionable validity, and this entire dispute seems to be grounded in an effort to avoid the existing water sales agreements.

Just so there is no misunderstanding, I do not agree with much of your analysis of Utah water law, nor can I agree with your version of the so-called "factual background." As to the accusations which you direct personally to Messrs. Hooton, Novak, Doxey and Bramhall, hopefully you will reconsider whether this is really necessary, appropriate or, for that matter, will serve any purpose.

May 19, 1997

Finally, you may be aware that a change application was recently filed in the name of Judith Lamb-Lion and David Vanier. They are requesting the State Engineer's approval of a point of diversion from the spring which is the subject matter of the dispute with the City. The change application was recently advertised, which means that the City must file a protest to protect its Big Cottonwood Creek rights and its contractual rights with the Mule Hollow water users. I will be preparing that protest and will send you a copy at the same time I submit it to the State Engineer's office. The processing of this change application has the real risk of forcing the issues and thus frustrating the ability of the parties to reach an amicable solution on their own. In essence, the State Engineer would be faced with rendering a decision on two competing change applications. In so doing, he may be attempting to decide issues which typically fall outside of his jurisdiction, such as forfeiture, title and contract issues.

For those reasons, the City asked the State Engineer to hold its change application in abeyance. You may want to do the same. In any event, let me know what you decide.

Again, I ask that you direct all communication, whether in writing or oral, through me. I will take the responsibility of passing that information on to the City.

Sincerely,

WILLIAMS & HUNT



Marc Wangsgard

MTW/bar

cc: James E. Riley

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